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Title: Need to allow Primary Cooperative Credit Societies and District Central Cooperative Banks to accept the demonetized Currency notes.

SHRI V. ELUMALAI (ARANI): In Tamil Nadu there are at present 4474 Primary Cooperative Credit societies serving the poor agriculturists and village workers. They are attached to 23 District Central Cooperative Banks and Tamil Nadu State Apex Cooperative Bank. During the year 2015-16, about Rs. 40028 crores of credit disbursements were made through these cooperative banks.

Due to demonetization of Rs. 500, 1000 currencies RBI has issued instructions that DCCBs are not authorized to collect Rs. 500 and 1000 demonetised notes from the customers. They are also barred from accepting demonetized notes for exchange. Further the DCCBs are not allowed to make payment more than Rs. 24000 from an account. In this scenario, DCCBs are not able to lend to PACCs and because of this, PACCs are not able to lend to its members any crop loan or agro based loan during this very crucial crop season. This has caused a lot of hardships to farmers to carry out time-bound agricultural works and this may lead to crop failure and cause loss to the farmers during this crop season.

Due to the shortage of new currencies, the borrowers of DCCBs are not able to repay their loan on due date. For this, the overdue and NPA of DCCBs will also increase. The Jewel Loan borrowers of PACCs and DCCBs are not able to redeem their jewels pledged. This has brought an unrest among the borrowers of DCCBs and PACCs.

Therefore, I urge the Union Government to permit DCCBs and PACCs to accept demonetized notes from the borrowers against their loan and allow PACCs to avail credit facility from DCCBs to lend to its members.